



Governor

Director

ARIZONA DEPARTMENT OF WATER RESOURCES

3550 North Central Avenue, Second Floor
PHOENIX, ARIZONA 85012-2105

(602) 771-8500

Via Electronic Mail

February 11, 2009

Ms. Cindy Ferrin
Arizona Department of Real Estate
2910 N. 44th Street
Phoenix, Arizona 85018**Water Report #53-700605.0000****Subdivision Name:** Aspen Cove Condominiums**Owner:** Frontier Village Partners, LLC,
an Arizona limited liability company**Number of lots:** 60**County:** Gila**Township** 10 North, Range 10 East, Section 10**Water provided by:** Town of Payson**Water Type:** Groundwater**Current water depth:** No Information provided**Estimated 100-year depth:** No Information provided**Current decline rate:** No Information provided**Basin:** Tonto Creek

Dear Ms. Ferrin:

Pursuant to A.R.S. § 45-108, the Department of Water Resources has reviewed the available information pertaining to the water supply for the above-referenced subdivision. This letter constitutes the Department's report on the subdivisions water supply as required by A.R.S. § 45-108(A).

Adequacy of the 100-year water supply was reviewed by the Department with regard to physical, legal and continuous availability, water quality, and financial capability. No information has been provided to the Department that indicates that the applicant has satisfied the adequate water supply requirements as set forth in A.A.C. R12-15-701 *et seq.* Therefore, the Department of Water Resources finds the water supply to be inadequate to meet the subdivision's projected needs.

Pursuant to A.R.S. §32-2181(F) a summary of the Department's report for those with an inadequate water supply shall be included in all promotional material and contracts for sale of lots in the subdivisions. We suggest the following synopsis:

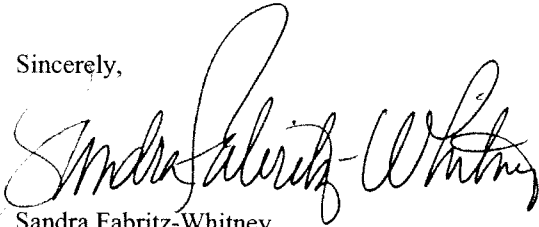
"Aspen Cove Condominiums subdivision is being served groundwater by Town of Payson. The developer has chosen not to demonstrate a 100-year adequate water supply. The applicant has not demonstrated that the criteria for physical, legal and continuous availability, water quality, and financial capability have been met. Therefore the Department must find the water supply to be inadequate. For additional information please contact Richard Obenshain, of the Office of Assured and Adequate Water Supply at (602) 771-8622."

The developer, pursuant to A.R.S. §32-2181(F), may suggest a different summary of this report, but it must contain the above elements and/or the Department's findings.

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Water Report
Aspen Cove Condominiums subdivision

This letter is being forwarded to your office as required by A.R.S. § 45-108. This law requires the developer to hold the recordation of the subdivision's plat until receipt of the Department's report on the subdivision's water supply. By copy of this report, the Gila County Recorder is being officially notified of the developer's compliance with the law.

Sincerely,

A handwritten signature in black ink, appearing to read "Sandra Fabritz-Whitney". The signature is fluid and cursive, with the first name "Sandra" being the most prominent.

Sandra Fabritz-Whitney
Assistant Director
Water Management Division

cc: **Via Electronic Mail:**
Colin Walker, Town of Payson
Gila County Recorder
Ralph O Bossert, Verde Engineering Group
Richard Obenshain, Office of Assured and Adequate Water Supply
Via US Mail:
Larry LeSueur, Frontier Village Partners, LLC